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LISTING STATEMENT NO. 2575

LISTED OCTOBER 27, 1972.
1,276,490 shares with a par value of \$5.00 each.
Stock Symbol UTT
Post Section 9.4

TORONTO STOCK EXCHANGE

LISTING STATEMENT

UNITED TRUST COMPANY

(a company incorporated under the laws of the Province of Ontario
by Letters Patent dated August 13, 1964)

CAPITALIZATION AS AT AUGUST 31, 1972

<u>Designation of Securities</u>	<u>Authorized</u>	<u>Issued and Outstanding</u>	<u>To be Listed</u>
DEBT			
Mortgages on offices premises	—	\$1,292,320	nil
SHARE CAPITAL (1)			
Shares with a par value of \$5.00 each	2,000,000	1,276,490	1,276,490

(1) After giving effect to the public financing completed in September, 1972, more particularly described hereafter.

1. APPLICATION

United Trust Company (the "Company") hereby makes application for the listing on The Toronto Stock Exchange of 1,276,490 shares with a par value of \$5.00 each in the capital of the Company all of which shares are issued and outstanding as fully paid and non-assessable.

2. REFERENCE TO PROSPECTUS

Reference is made to the prospectus of the Company dated September 7, 1972, (the "Prospectus") with respect to the offering of 325,000 shares with a par value of \$5.00 each. A copy of the Prospectus is attached hereto and is hereby incorporated in this application and made a part thereof.

3. HISTORY AND NATURE OF BUSINESS

Reference is made to the heading "Business of the Company" on pages 4 through 8 of the Prospectus.

4. INCORPORATION

The Company was incorporated on August 13, 1964, under the name Rideau Trust Company by letters patent issued under The Loan and Trust Corporations Act of Ontario. By Order-in-Council dated August 20, 1970, the name of the Company was changed to United Trust Company and the authorized capital was increased to \$10,000,000 consisting of 1,000,000 shares with the par value of \$10.00 each. By Order-in-Council dated May 17, 1972, the issued and unissued shares of the Company were subdivided on a two-for-one basis so that the authorized capital now consists of 2,000,000 shares with a par value of \$5.00 each.

5. SHARES ISSUED DURING PAST 10 YEARS

<u>Date of Issue</u>	<u>No. of Shares (1)</u>	<u>Amount Realized Per Share (1)</u>	<u>Consideration Received</u>	<u>Purpose of Issue</u>
February 22, 1965	103,260	\$6.00	\$ 619,560 cash	Initial subscriptions for shares
February 23, 1965, to March 31, 1965	6,430	6.00	\$ 38,580 cash	Initial subscriptions for shares
July 18, 1966	29,000	6.00	Shares of Bushnell Television Company Limited	Issued in exchange for common and preference shares of Bushnell Television Company Limited
December 12, 1968	140,000	5.00	\$ 700,000 cash	To raise additional capital
August 31, 1970	466,190	5.50	Goodwill and assets of real estate brokerage business carried on by Mann & Martel	To acquire the real estate brokerage business of Mann & Martel
August 31, 1970	73,234	5.50	The equity of Townsview Properties Limited in 9 properties	To acquire 9 properties upon which Mann & Martel offices were situate
April 30, 1971	13,046	5.50	\$ 71,753	Employee share purchase plan
June 4, 1971	10,330	5.50	\$ 56,715	Employee share purchase plan
February 17, 1972	110,000	6.41	\$ 705,000	Private placement. Reference is made to the heading "Prior Sales of Shares" on page 14 of Prospectus
September 25 and October 10, 1972	325,000	7.46	\$2,424,500	Reference is made o the heading "Use of Proceeds" on page 12 of Prospectus

(1) The numbers and prices of shares have been adjusted to give effect to the 2-for-1 subdivision which took place on May 17, 1972.

6. STOCK PROVISIONS

Reference is made to the heading "Details of the Shares" on page 13 of the Prospectus.

7. DIVIDEND RECORD

The Company has paid no dividends since its inception.

8. PROPERTIES OF THE COMPANY

Reference is made to the heading "Properties" on page 8 of the Prospectus.

9. SUBSIDIARY COMPANIES

The Company has no subsidiaries.

10. FUNDED DEBT

The Company has no funded debt.

11. OPTIONS

There are no options or other contracts of a like nature regarding any unissued shares or any issued shares held for the benefit of the Company.

New Issue



UNITED TRUST COMPANY

**325,000 Shares
with a par value of \$5 each**

The 325,000 Shares offered by this prospectus are authorized but unissued shares which are being purchased from the Company. There is no market for the Shares of the Company and the price for this offering was determined by negotiation between the Company and the Underwriter. Particulars of dilution in net book value per Share are set forth under the subheading "Dilution".

Applications have been made to list the Shares on the Toronto and Montreal Stock Exchanges. Acceptance of the listings will be subject to the filing of required documents and evidence of satisfactory distribution, both within 90 days.

	Price to Public	Underwriting Commission	Proceeds to Company (1)
Per Share	\$8.00	\$0.54	\$7.46
Total	\$2,600,000	\$175,500	\$2,424,500

(1) Before deducting expenses of issue payable by the Company estimated at \$40,000.

The allotment, issue, ownership, voting and transfer of shares in the capital of the Company including the Shares offered by this prospectus are restricted. These restrictions are described under the subheading "Restrictions".

We, as principals, conditionally offer these Shares if, as and when issued by the Company and accepted by us, in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", subject to prior sale and subject to the right to reject any application in whole or in part. It is expected that definitive share certificates representing these Shares will be available for delivery on or about September 25, 1972.

**NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY
PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER
AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.**

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Sections 64 and 65 of The Securities Act (Alberta), sections 70 and 71 of The Securities Act, 1967 (Saskatchewan), sections 63 and 64 of The Securities Act (Manitoba), and sections 64 and 65 of The Securities Act (Ontario) provide, in effect, that where a security is offered in the course of primary distribution to the public,

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by the purchaser or his agent; and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security, as of the date of receipt or deemed receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right of rescission can be commenced after the expiration of 90 days from the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by the purchaser or the purchaser's agent, whichever is later.

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide, in effect, that where a security is offered in the course of primary distribution to the public, a purchaser has the same right of rescission described in (b) above and also that a purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus together with financial statements and reports and summaries of reports relating to the securities, as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery of the written confirmation of the sale of the securities to either of them. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell the security within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of 3 months from the date of service of such notice.

Reference is made to the aforesaid Acts for the complete texts of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

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THE COMPANY

United Trust Company (the "Company") is empowered to provide a full range of trust services in the Province of Ontario and the Company's present operations consist of savings and trust services, mortgage lending and real estate brokerage. During the five years and six months ended June 30, 1972, the Company's total assets under administration increased from \$4.9 million to \$59.1 million.

The Company was incorporated on August 13, 1964 under the name of Rideau Trust Company by Letters Patent issued under The Loan and Trust Corporations Act of Ontario. By Orders-in-Council dated August 20, 1970, the name of the Company was changed to United Trust Company and the authorized capital was increased to \$10,000,000 consisting of 1,000,000 shares with a par value of \$10 each. By Order-in-Council dated May 17, 1972, the issued and unissued shares of the Company were subdivided on a 2 for 1 basis so that the authorized capital now consists of 2,000,000 shares with a par value of \$5 each (the "Shares"). All references to the Shares of the Company in this prospectus have been adjusted to give effect to the share capital as presently constituted.

The Company's principal and head office is located at the United Trust Building, 21 St. Clair Avenue East, Toronto, Ontario.

BUSINESS OF THE COMPANY

History

In the mid-1960's, George S. Mann of Mann & Martel, a Toronto-based real estate brokerage firm, recognized that a trust company fully integrated with a strong real estate brokerage business operating from common premises would provide an opportunity for selling an extensive range of financial services. In 1968, two companies associated with Mr. Mann acquired control of the Company. The Company had commenced operations in 1965 and by 1968 was operating three savings and trust offices and two real estate brokerage offices in the Ottawa area. Plans were made to re-organize and expand the Company in preparation for the acquisition of the real estate brokerage business of Mann & Martel. On August 20, 1970, the name of the Company was changed to United Trust Company and the head office was moved from Ottawa to Toronto. On August 31, 1970, the Company acquired the real estate brokerage business of Mann & Martel, which for the previous two years had been expanding its operations into a number of communities outside Metropolitan Toronto. Reference is made to the Statement of Income of Mann & Martel for the four years ended October 31, 1970.

The acquisition of Mann & Martel substantially strengthened the real estate brokerage services offered by the Company. Through the utilization of common premises for real estate brokerage, mortgage lending and savings and trust services, the opportunity for selling a full range of financial services was provided. The Company now has 30 offices of which 10 provide a full range of savings and trust, mortgage lending and real estate brokerage services ("full service offices").

Savings and Trust Services

The Company is empowered to accept deposits from the public. Deposits are accepted for terms of one to five years in the form of Guaranteed Investment Certificates and for terms of less than one year in the form of Short Term Deposit Receipts. Deposits also are accepted on a demand basis in the form of chequing, current and various types of savings accounts. The total funds which the Company may receive from the public presently are limited to an amount equal to 18 times its unimpaired capital and reserve. If effect is given to the issue of the Shares offered by this prospectus, the Company would have been able to accept \$102,530,000 in deposits as at June 30, 1972. At that date the Company had deposit liabilities of \$38,175,000.

The following table sets forth the growth in the Company's deposit liabilities:

	Number of Savings and Trust Branches	Savings, Current and Chequing Accounts Number	Amount	Guaranteed Investment Certificates	Total Deposit Liabilities
As at December 31,					
1965	3	2,603	\$ 796,000	\$ 568,000	\$ 1,364,000
1966	3	6,715	2,880,000	1,207,000	4,087,000
1967	3	8,316	4,274,000	2,589,000	6,863,000
1968	3	11,758	5,823,000	4,429,000	10,252,000
1969	3	14,774	7,357,000	5,266,000	12,623,000
1970	6	19,046	9,366,000	7,484,000	16,850,000
1971	9	29,656	17,248,000	10,444,000	27,692,000
As at June 30,					
1972	11	37,758	24,283,000	11,865,000	38,175,000(1)

(1) Includes \$2,027,000 in Short Term Deposit Receipts which the Company commenced offering in April 1972.

The growth in the Company's deposit liabilities is attributable to its extensive expansion program, aggressive marketing techniques, extended hours of service to the public and the integration of its savings and trust, mortgage lending and real estate brokerage services. Since August 1970, the Company has opened seven full service offices bringing the total offices providing savings and trust services to eleven. Savings and trust services are provided in London, Kitchener, Barrie, Ottawa (3 offices) and Toronto (5 offices), all but one of which are full service offices. The Company plans to open one savings and trust office and one full service office in the latter part of 1972.

The Company is a member of The Canada Deposit Insurance Corporation, a Crown corporation, which insures depositors' funds against losses to a maximum of \$20,000 per depositor.

The following table sets forth the Guaranteed Investment Certificate maturities and interest rates as at June 30, 1972:

Maturing	Amount	Interest Rate	Amount
1972	\$ 1,180,000	7% or less	\$ 2,621,000
1973	2,308,000	7-1/4%	653,000
1974	1,171,000	7-1/2%	1,284,000
1975	1,138,000	7-3/4%	767,000
1976	3,731,000	8%	3,437,000
1977	2,143,000	8-1/4%	841,000
1979	3,000	8-1/2%	850,000
	<u>11,674,000</u>	8-3/4%	<u>1,221,000</u>
Accrued Interest	191,000	Accrued Interest	191,000
Total	<u>\$11,865,000</u>	Total	<u>\$11,865,000</u>

As at June 30, 1972, the Company's Guaranteed Investment Certificates were held by 4,227 customers, the average term was 3.98 years and the average effective interest rate was 7.67%.

The Company is empowered to provide the standard range of personal, corporate and agency services. Since December 31, 1969, the fiduciary assets under administration have increased from \$357,000 to \$13,527,000. Because the Company is in the early stages of its development of fiduciary services, it has concentrated in those areas which produce immediate revenues and profits. Considerable emphasis is being placed on the development of trust services, such as acting as trustee under registered retirement savings plans, and agency services, such as property management of commercial, industrial and residential income properties.

The Loan and Trust Corporations Act of Ontario imposes various limitations on investments the Company may make. The Company's policy and practice is to make only those investments which strictly comply with that Act.

The following table summarizes the Company's investment portfolio at the dates indicated:

The Company invests its funds primarily in conventional first mortgages on residential properties generally for terms of 5 years. These loans are granted in amounts up to 75% of the lesser of the selling price or the appraised value of the property. The Company grants the majority of its mortgage loans in connection with the purchase of existing residential properties. This practice enables the Company to utilize its funds more efficiently because the time from commitment to total advance is significantly shorter for mortgage loans on existing properties than mortgage loans on properties under construction or development. The Company has been approved as a lender with Central Mortgage and Housing Corporation, the Ontario Housing Corporation and The

Mortgage Insurance Company of Canada. The Company is permitted to make loans in excess of 75% of the value of the property when the excess is guaranteed or insured by any of these corporations.

The following table sets forth the maturities and the interest rates of the Company's mortgage portfolio as at June 30, 1972:

Maturing	Amount	Interest Rate	Amount
1972	\$ 3,232,000	8% and under	\$ 613,000
1973	2,266,000	8-1/4%	376,000
1974	1,470,000	8-1/2%	2,269,000
1975	1,456,000	8-3/4%	1,255,000
1976	8,607,000	9%	2,697,000
1977	13,492,000	9-1/4%	5,360,000
1978 and over	341,000	9-1/2%	7,115,000
	<u>30,864,000</u>	9-3/4%	4,676,000
Accrued Interest	241,000	10% and over	6,503,000
Total	<u>\$31,105,000</u>	Accrued Interest	241,000
		Total	<u>\$31,105,000</u>

The following table sets forth the size and number of loans in the Company's mortgage portfolio (not including accrued interest) as at June 30, 1972:

Size	Number	Amount
\$ 0 - 15,000	671	\$ 7,545,000
15,001 - 30,000	807	16,512,000
30,001 - 50,000	91	2,842,000
50,001 - 100,000	11	776,000
100,000 and over	10	3,189,000
Totals ..	<u>1,590</u>	<u>\$30,864,000</u>

The Company's mortgage portfolio increased from \$2,294,000 to \$30,864,000 during the five years and six months ended June 30, 1972. As at June 30, 1972, the Company had 1,590 mortgage loans outstanding of which the average mortgage loan was \$19,411. Reference is made to Note 3 to the Financial Statements for further particulars.

Real Estate Brokerage

The Company acts as agent in the sale and purchase of industrial, commercial and residential properties with the major portion of its agency commissions being derived from the sale of residential properties. The Company concentrates its efforts in the residential resale market rather than in the sale of new homes. The Company also acts as leasing agent for commercial and industrial buildings and office premises.

Presently the Company operates 29 real estate brokerage offices throughout southern Ontario. These offices are located in Barrie, Brampton, Clarkson, Collingwood, Guelph, Hamilton, Kitchener, London, Orangeville, Ottawa (2 offices), Oshawa, Peterborough, Windsor and Toronto (15 offices). Ten of these offices also provide savings and trust services.

At the present time, the Company has more full-time sales agents licensed to sell real estate than any other real estate broker in Ontario. As at June 30, 1972 the Company had 1,036 licensed real estate sales agents and sales trainees. The Company places considerable emphasis on training new agents and has developed its own sales training programs. All of the Company's sales agents are compensated solely on a commission basis.

The Company emphasizes obtaining listings of properties for sale and major sales incentive programs are conducted to encourage real estate sales agents to obtain listings to build an inventory of saleable properties. Such inventory provides a ready supply of properties from which the Company may effectively meet customer demands. Commission rates for selling residential property in the Toronto area generally are 5% for an exclusive listing and 6% for a listing on the multiple listing service. These commission rates vary from community to community. On sales effected through multiple listing services the commission is shared by the listing broker and the selling broker.

Properties listed with the Company, either on an exclusive or on a multiple listing basis, are generally advertised in an appropriate newspaper. The Company advertises in 22 English language newspapers throughout southern Ontario and in 17 ethnic newspapers in Toronto in such languages as German, Italian, Hungarian, Portugese, Chinese, Estonian, Greek, Slovak, Ukrainian, Polish, Lithuanian and Czechoslovakian. While the major portion of its real estate advertising is in newspapers, the Company also advertises its real estate services on radio.

PROPERTIES

The Company owns 8 commercial buildings throughout southern Ontario containing approximately 33,500 square feet of which approximately 22,000 square feet is utilized by the Company and the balance is rented or reserved for future expansion. In addition, the Company owns or has agreed to acquire 3 commercial buildings containing approximately 5,300 square feet of which it intends to use approximately 4,300 square feet for future branches with the balance being rented. The premises, leasehold improvements and equipment owned by the Company on June 30, 1972 had an aggregate net book value of \$2,983,000 after accumulated depreciation. The principal amount of the mortgages outstanding against these properties aggregated \$1,292,912 on June 30, 1972 bearing interest at rates varying from 6% to 10-1/2% per annum and maturing from 1973 to 1983.

Under The Loan and Trust Corporations Act the aggregate net book value of the Company's real estate holdings is limited to 35% of its unimpaired capital, surplus and reserves. As at June 30, 1972 the Company's real estate holdings exceeded this limit; however, if effect is given to this financing, the Company would have been in compliance with the Act as at that date.

As at June 30, 1972 the Company had lease obligations on approximately 68,200 square feet of commercial space for its head office and 23 of its branches. In addition the Company has leased or is obligated to lease another 6,300 square feet of space some of which will be utilized by the Company in the future and the remainder of which is or will be sublet. In 1972 the leases provide for an aggregate annual rental, exclusive of taxes, insurance and other occupancy charges, of \$473,000.

MANAGEMENT AND PERSONNEL

As at June 30, 1972 the Company had 1,330 employees consisting of 1,036 real estate sales agents and sales trainees, and 157 full-time and 137 part-time salaried employees.

The senior management of the Company consists of 6 executives who have had an average of 19 years experience in savings and trust services or real estate brokerage operations. The average age of this management group is 43 years.

Directors and Officers

The names and home addresses of the directors and officers of the Company, the offices held by each and their principal occupations are as follows:

<u>Name and Address</u>	<u>Office</u>	<u>Principal Occupation</u>
George Stanley Mann, 11 Saintfield Avenue, Don Mills, Ontario.	President and Director	President and Chief Executive Officer of the Company.
Maurice Stanley Lamond, 10 Avoca Avenue, Toronto, Ontario.	Vice-President and Director	Vice-President and General Manager of Real Estate Division of the Company.
Bruce Eric Minns, F.C.A., 44 Jackes Avenue, Toronto, Ontario.	Vice-President and Director	Vice-President and General Manager of Trust Services Division of the Company.
Herbert Harold Solway, Q.C., 3 Peebles Avenue, Don Mills, Ontario.	Secretary and Director	Partner in the law firm of Goodman & Goodman.
Paul Francis Black, 21 Treeline Court, Etobicoke, Ontario.	Director	Assistant Financial Vice- President, Manufacturers Life Insurance Company.
Kenneth Edward Field, 97 Old Forest Hill Road, Toronto, Ontario.	Director	Officer and director of various corporations.
Edwin Alan Goodman, Q.C., 402 Glenayr Road, Toronto, Ontario.	Director	Partner in the law firm of Goodman & Goodman.
David Mann, 330 Spadina Road, Toronto, Ontario.	Director	Corporate director.
Bernard Shinder, 1945 Lauder Drive, Ottawa, Ontario.	Director	Partner in the law firm of Goldberg, Shinder, Shmelzer, Gardner & Kronick.
John William MacDonald Campbell, 6 Kennebee Crescent, Rexdale, Ontario.	General Manager : Savings Services	Officer of the Company.
Bernard Gershman, 114 Elmridge Drive, Toronto, Ontario.	Mortgage Manager	Officer of the Company.
James Alexander Meldrum, C.A., 26 Glenellen Drive, Toronto, Ontario.	Treasurer	Officer of the Company.

During the past five years all of the directors and officers of the Company have been engaged or employed in the various capacities indicated opposite their names with the following exceptions: Bruce Eric Minns was a director and Vice-President, Finance and Administration of William Neilson Limited from 1968 to 1970 and prior to 1968 was Assistant General Manager of The Canada Trust Company; Kenneth Edward Field was Executive Assistant to the President of the Company from 1970 to 1972 and prior to 1970 was a law student; John William MacDonald Campbell was Executive Vice-President and General Manager of Ontario Trust Company prior to 1972; Bernard Gershman was General Manager and Mortgage Consultant of U.I.L. Investments Ltd. prior to 1970; James Alexander Meldrum was Director of Finance of William Neilson Limited from 1969 to 1970 and prior to 1969 was Manager of the Internal Audit Department of The Canada Trust Company; and George Stanley Mann, David Mann and Maurice Stanley Lamond were co-managers of Mann & Martel prior to 1969.

Remuneration

The aggregate direct remuneration paid by the Company to its directors and senior officers for the 12 months ended December 31, 1971 was \$115,572 and for the 7 months ended July 31, 1972 was \$85,299 and the aggregate direct remuneration payable by the Company to its directors and senior officers for the 12 months ending December 31, 1972 is estimated to be \$147,000. The foregoing does not include any person who is remunerated on a commission basis, however the 5 highest paid persons who are so remunerated received an aggregate of \$146,599 for the 12 months ended December 31, 1971 and \$133,650 for the 7 months ended July 31, 1972.

On August 31, 1970, George S. Mann entered into an employment agreement with the Company pursuant to which he agreed to act as President and chief executive officer of the Company until August 31, 1975. For his services, Mr. Mann is entitled to a minimum salary of \$37,500 for the year ending August 31, 1972 subject to a minimum increase of \$2,500 per annum thereafter until August 31, 1975. Any remuneration in excess of this amount is subject to the approval of the Board of Directors of the Company. Mr. Mann has agreed not to compete with the Company in the real estate brokerage business in Ontario until August 31, 1978 or three years after his employment with the Company has terminated whichever is later.

Interest of Management and Others in Material Transactions

On December 12, 1968, the Company entered into an agreement with Mann & Martel, 21 St. Clair Avenue East, Toronto, whereunder the Company agreed to manage the real estate brokerage business of Mann & Martel for five years for an aggregate fee of \$700,000 payable at the rate of not less than \$100,000 per year. Pursuant to the agreement, Mann & Martel paid the Company \$166,667 in the aggregate up to August 31, 1970. The agreement was terminated on August 31, 1970 when the Company acquired the real estate brokerage business of Mann & Martel. The relationships of George S. Mann to Mann & Martel and the Company are described in the next paragraph.

Mann & Martel is a limited partnership, of which Townsview Properties Limited ("Townsview") and George Mann Limited ("GML"), both of 21 St. Clair Avenue East, Toronto, are general partners and of which The Canada Trust Company as trustee of The Ridelle Trust, 110 Yonge Street, Toronto is the limited partner. George S. Mann owns all of the common shares of GML and a person unrelated in any way to George S. Mann owns an equal number of voting preference shares which carry full voting rights in all circumstances. Hence, while George S. Mann owns all of the participating shares of GML, he is not in a position to exercise voting control of GML. GML, George S. Mann and his wife together own all of the outstanding common shares of Townsview. Because the benefits of The Ridelle Trust may be said to accrue indirectly to George S. Mann, George S. Mann is an associate of the limited partner of Mann & Martel as well as the two general partners. The foregoing relationships existed at all material times referred to under this subheading, and in addition, since December 1971, GML has controlled Townsview and since August 1970, Mann & Martel has owned more than 10% of the Shares of the Company. For the present shareholdings of Townsview and Mann & Martel in the Company, reference is made to the heading "Principal Shareholders". George S. Mann is the President and a director of the Company and an associate of Townsview, GML and Mann & Martel.

Pursuant to an agreement dated August 1, 1970, the Company acquired on August 31, 1970 the real estate brokerage business of Mann & Martel. The fixed assets of Mann & Martel were purchased for their depreciated value of approximately \$365,000, and the goodwill of Mann & Martel was purchased for \$2,200,000. The purchase price payable to Mann & Martel was satisfied by the issuance of 466,190 Shares of the Company. Certain properties owned by Townsview upon which 9 Mann & Martel offices were situated were also acquired for approximately \$1,130,000, being Townsview's cost. The purchase price for the properties purchased from Townsview was satisfied by the assumption by the Company of encumbrances against the lands aggregating approximately \$730,000 and the issuance of 73,234 Shares of the Company to Townsview. Five of the properties sold to the Company for \$889,450 were acquired by Townsview within two years prior to such sale at an aggregate cost of \$889,450. The relationships of these parties to the Company are described above.

One of the mortgages assumed in connection with the acquisition from Townsview described in the preceding paragraph was a mortgage in favour of GML in the amount of \$150,000 bearing interest at the rate of 10-1/2% per annum and maturing on June 30, 1975. The relationships of these parties to the Company are described above.

On August 31, 1970, the Company entered into an employment agreement with George S. Mann (whose interest is described above) particulars of which are set forth under the subheading "Remuneration".

The Company leases 7 automobiles from Select Auto Leasing Limited, 21 St. Clair Avenue East, Toronto, for a total annual rental of \$16,680, exclusive of the costs of repairs and insurance. Each automobile is leased for a term of 24 months. The Company is obliged to maintain, repair and insure the automobiles. Select Auto Leasing Limited is controlled by GML which is an associate of George S. Mann (whose interest is described above).

On August 23, 1971, Global Optical Limited ("Global"), 560 Bloor Street West, Toronto, an associate of Kenneth E. Field, a director of the Company, sub-leased from the Company 1,360 square feet formerly used by the Company as a branch office. The sub-lease provides that Global will perform all of the Company's obligations under the Company's lease. The rent payable to the Company under the sub-lease exceeds the rent called for under the Company's lease. Mr. Field is a co-guarantor of Global's obligations to the Company under this sub-lease.

On October 1, 1971, KTV Holdings Limited, 713 Briar Hill Avenue, Toronto, an associate of Kenneth E. Field, a director of the Company, loaned the Company \$150,000 bearing interest at the rate of 9-1/2% per annum and secured by a mortgage on the Company's branch at 73 King Street, Kitchener, Ontario. The loan was repaid and the mortgage discharged on June 14, 1972.

On September 17, 1971, a co-tenancy in which George S. Mann (whose interest is described above) had a 50% interest leased approximately 27,800 square feet of commercial space to the Company for a term of 20 years in the United Trust Building, 21 St. Clair Avenue East, Toronto. The rental for the savings branch on the main floor is fixed for a term of 20 years and the rental for the remainder of the space is fixed for a term of 10 years. The aggregate minimum rental payable by the Company for these premises is approximately \$225,000 per year which does not include the Company's insurance costs, tax increases on the leased premises and the Company's share of increases in both taxes and the landlord's operating costs in respect of the land and building. The lease is a customary commercial office lease and provides the Company with an option on additional space.

The Company provides property management services to GML, Townsview and other companies associated with George S. Mann. These companies pay the standard agency fees charged by the Company for rendering similar services to others. The relationships of these parties to the Company are described above.

Promoter

George S. Mann took the initiative in re-organizing the business of the Company and accordingly may be said to be its promoter within the meaning of the applicable securities legislation. While no amount has been paid or is intended to be paid to Mr. Mann as promoter, reference is made to the subheading "Interest of Management and Others in Material Transactions". In addition, Mr. Mann receives remuneration as President and chief executive officer of the Company as set forth under the subheading "Remuneration".

PRINCIPAL SHAREHOLDERS

The following table sets forth the names and addresses of the holders of the Shares who as at July 31, 1972 were known to own beneficially or of record, directly or indirectly, 10% or more of the outstanding Shares:

Name and Address	Type of Ownership	Number of Shares Owned	Percentage of Shares	Percentage of Shares After This Financing
Mann & Martel (1) 21 St. Clair Avenue East Toronto, Ontario	Of record and beneficially	451,090	47.4%	35.3%
Townsville Properties Limited (1) 21 St. Clair Avenue East Toronto, Ontario	Beneficially	252,930 (2)	26.6%	19.8%

- (1) Mann & Martel is a limited partnership. The general partners of Mann & Martel are Townsville Properties Limited ("Townsville") and George Mann Limited ("GML"). George S. Mann owns all of the common shares of GML and a person unrelated in any way to George S. Mann owns an equal number of voting preference shares which carry full voting rights in all circumstances. Hence, while George S. Mann owns all of the participating shares of GML, he is not in a position to exercise voting control of GML. GML controls Townsville and GML, George S. Mann and his wife together own all of the issued and outstanding shares of Townsville. The limited partner of Mann & Martel is The Canada Trust Company as trustee of The Ridelle Trust, the benefits of which trust may be said to accrue indirectly to George S. Mann.
- (2) Of which 220,930 Shares were owned of record and beneficially by Townsville and 32,000 Shares were owned of record and beneficially by Investors Leaseholds Limited, a company controlled by Townsville.

As at July 31, 1972, the directors and senior officers of the Company, as a group, beneficially owned, directly or indirectly, 21,914 Shares being 2.3% of the outstanding Shares; this does not include the holdings of Mann & Martel, Townsville Properties Limited and Investors Leaseholds Limited. Reference is made to notes 1 and 2 above.

PLAN OF DISTRIBUTION

Under an agreement dated September 7, 1972 between the Company and Pitfield, Mackay, Ross & Company Limited (the "Underwriter"), the Company agreed to sell and the Underwriter agreed to purchase 325,000 Shares with a par value of \$5 each at the price of \$8.00 per share. Of the said 325,000 Shares, 300,000 Shares are to be taken up and paid for on or about September 25, 1972 and the balance of 25,000 Shares is to be taken up and paid for on or about October 10, 1972, but in any event in each case not later than October 19, 1972. The purchase price is payable in cash against delivery of certificates representing the Shares taken up. The agreement provides that the obligations of the Underwriter and the Company are subject to the satisfaction of certain terms and conditions and that either the Underwriter or the Company may at its sole discretion, in the circumstances described in the agreement, terminate their respective obligations. The Underwriter is obligated, however, to take up and pay for all the said 325,000 Shares if any of such Shares are purchased under the agreement.

The 325,000 Shares will be offered to the public in all provinces of Canada except Prince Edward Island and Newfoundland through the Underwriter and other registered investment dealers and brokers. In view of the provisions of The Loan and Trust Corporations Act of Ontario referred to under the subheading "Restrictions", the aforementioned agreement provides that none of the said 325,000 Shares are to be knowingly sold to non-residents of Canada (see Schedule for definitions).

USE OF PROCEEDS

The estimated net proceeds to be derived by the Company from the sale of the 325,000 Shares offered by this prospectus will be \$2,384,500, after deducting expenses of issue estimated at \$40,000, and will be added to the working funds of the Company. No part of the net proceeds has been allocated for a particular purpose, however, the funds will initially be invested by the Company and will enable it to continue the expansion of its operating facilities. The increase in shareholders' equity will enable the Company to increase the amount that may be accepted as deposits as referred to under the subheading "Savings and Trust Services".

CAPITALIZATION

Designation of security	Authorized	Outstanding June 30, 1972	Outstanding July 31, 1972	To be outstanding upon completion of this financing
DEBT				
Mortgages on office premises (1)	—	\$1,292,912	\$1,292,320	\$1,292,320
SHARE CAPITAL (2)				
Shares with a par value of \$5 each	2,000,000 Shs. (\$10,000,000)	951,490 Shs. (\$4,757,450)	951,490 Shs. (\$4,757,450)	1,276,490 Shs. (\$6,382,450)

- (1) The mortgages on office premises bear interest at rates varying from 6% to 10-1/2% and mature from 1973 to 1983, further particulars of which are set forth in Note 7 to the Financial Statements.
- (2) In addition to the stated dollar value for capital as indicated herein, the Company had contributed surplus of \$574,604 and retained earnings of \$261,714 as at June 30, 1972. After giving effect to the completion of this financing, the Company's contributed surplus will be \$1,374,104 and its retained earnings will be \$221,714.
- (3) The obligations of the Company with respect to leases on real property are set forth in Note 11 to the Financial Statements.

DETAILS OF THE SHARES

Shares

The share capital of the Company consists solely of shares with a par value of \$5 each (the "Shares"). The holders of Shares are entitled to such dividends as may be declared thereon by the Board of Directors and, subject to certain restrictions on voting as set forth below, are entitled to one vote per Share. Each Share ranks equally with all other Shares with respect to dividend rights and upon a winding-up or dissolution of the Company.

Restrictions

The Loan and Trust Corporations Act of Ontario (the "Act") restricts the allotment, issue, ownership, voting and transfer of shares of the Company. These restrictions may be summarized as follows (see Schedule for definitions):

- (a) Shares may not be allotted or transferred to a non-resident of Canada if such allotment or transfer would result in non-residents as a group holding 25% or more of the outstanding shares;
- (b) Shares may not be allotted or transferred to a non-resident if such allotment or transfer would result in such non-resident and his associates holding 10% or more of the outstanding shares;
- (c) Non-residents may not exercise voting rights attaching to shares unless they are registered on the books of the Company as shareholders;
- (d) A Canadian resident holding shares of the Company as a nominee for a non-resident may not exercise voting rights attaching to those shares;
- (e) No issue or transfer relating to 10% or more of the outstanding shares of the Company or that the

directors believe would result in a majority of the issued shares being beneficially owned by any one person may be entered until 30 days after notice thereof has been deposited with the Registrar of Loan and Trust Corporations.

Reference is made to Sections 54 to 59 inclusive of the Act for the full text of the provisions under which the foregoing restrictions are imposed including the definition of "non-resident".

The Company has enacted a by-law giving the directors of the Company the power to require any registered shareholder or other person desiring to have a transfer registered to file satisfactory evidence with the Company as to the number of Shares registered or proposed to be registered, the beneficial owner of the Shares, the place of residence of the beneficial owner of the Shares, and whether the beneficial owner or proposed registered owner is associated with any other shareholders. The directors of the Company have the power to refuse to record any transfer until the required evidence has been submitted.

Dilution

As at June 30, 1972, the Shares had a net book value of \$5.88 per share and will have a net book value of \$6.25 per share after giving effect to this financing. Purchasers of the Shares offered hereby will, from an accounting point of view, suffer an immediate dilution of \$1.75 in the net book value per share. The Company proposes to write off a substantial portion of its current Goodwill as a charge to Contributed Surplus and Retained Earnings on December 31, 1972. The balance of such Goodwill is to be written off against Contributed Surplus and Retained Earnings as soon as they become available for that purpose. The effect of writing off the entire \$2,200,000 of current Goodwill at a time when 1,276,490 Shares are outstanding would be to decrease the net book value of the Shares by \$1.72 per share.

PRIOR SALES OF SHARES

On February 17, 1972, the Company issued in the aggregate 110,000 Shares to Manufacturers Life Insurance Company ("Manufacturers"), 200 Bloor Street East and Winnet Holdings Limited, 220 Bay Street, both of Toronto, for a net consideration of \$6.41 per share. In addition, at that time, the Company granted to Manufacturers a right to subscribe for up to 10% of future issues of Shares. This right was waived by Manufacturers in connection with the offering described in this prospectus.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by the Company within the two years preceding the date hereof are as follows:

1. Agreement dated as of August 1, 1970 pursuant to which the Company acquired the real estate brokerage business of Mann & Martel and certain properties from Townsview, more particularly described under the subheading "Interest of Management and Others in Material Transactions".
2. Employment and non-competition agreements with George S. Mann dated August 31, 1970, more particularly described under the subheading "Remuneration".
3. Lease dated September 17, 1971, under which the Company leased approximately 27,800 square feet of commercial space in the United Trust Building, more particularly described under the subheading "Interest of Management and Others in Material Transactions".
4. Subscription agreements dated February 17, 1972, pursuant to which the Company issued 110,000 Shares and undertaking dated February 17, 1972 with respect to future issues of Shares, all as more particularly described under the heading "Prior Sales of Shares".

5. Agreement dated September 7, 1972 between the Company and Pitfield, Mackay, Ross & Company Limited, more particularly described under the heading "Plan of Distribution".

The foregoing agreements or copies thereof may be examined during ordinary business hours at the head office of the Company, 21 St. Clair Avenue East, Toronto, during the period of distribution to the public under this prospectus of the Shares offered hereby and for a period of 30 days thereafter.

REGISTRARS AND TRANSFER AGENTS

The Company at its principal office in the city of Toronto acts as its own registrar and transfer agent and The Canada Trust Company at its principal offices in the cities of Halifax, Montreal, Winnipeg, Regina, Calgary and Vancouver acts as branch registrar and branch transfer agent for the Shares.

AUDITORS

The auditors of the Company are Soberman, Isenbaum, Colomby & Nisker, Chartered Accountants, 45 St. Clair Avenue West, Toronto.

LEGAL MATTERS

Legal matters in connection with the issue and sale of the Shares offered by this prospectus will be passed upon on behalf of the Company by Goodman & Goodman, Toronto, and on behalf of the Underwriter by Fraser & Beatty, Toronto. Certain partners of Goodman & Goodman beneficially own in the aggregate, directly or indirectly, 4,100 Shares of the Company.

UNITED TRUST COMPANY

BALANCE SHEET AND PRO FORMA BALANCE SHEET AS AT JUNE 30, 1972

ASSETS

		<u>Pro Forma (note 1(a))</u>
Cash and deposit receipts	\$ 2,757,286	\$5,141,786
Securities (note 2)		
Canadian and Provincial Government bonds	5,412,772	5,412,772
Canadian Municipal bonds	57,184	57,184
Other bonds	2,401,549	2,401,549
Stocks	111,277	111,277
	<u>7,982,782</u>	<u>7,982,782</u>
Loans		
Mortgages (note 3)	29,333,975	29,333,975
Loans on securities	210,754	210,754
	<u>29,544,729</u>	<u>29,544,729</u>
Rental property (note 4)	30,550	30,550
Premises, leasehold improvements and equipment less accumulated depreciation (note 5)	2,983,000	2,983,000
Other assets	114,598	114,598
Goodwill, at cost (note 6)	<u>2,200,000</u>	<u>2,200,000</u>
Total assets	<u>\$45,612,945</u>	<u>\$47,997,445</u>

ASSETS UNDER ADMINISTRATION

Cash, securities and other assets held for estates, trusts and agencies	\$13,526,611	\$13,526,611
Total assets	<u>45,612,945</u>	<u>47,997,445</u>
Total assets under administration	<u>\$59,139,556</u>	<u>\$61,524,056</u>

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Board:

(Sgd.) G.S. Mann, Director.

(Sgd.) B. Eric Minns, Director.

LIABILITIES

		Pro Forma (note 1(a))
Deposits and borrowings		
Savings, current and chequing accounts	\$24,282,940	\$24,282,940
Short term deposit receipts	2,027,412	2,027,412
Guaranteed investment certificates	11,864,473	11,864,473
	<u>38,174,825</u>	<u>38,174,825</u>
Other liabilities		
Accounts payable	104,044	104,044
Mortgages on office premises (note 7)	1,292,912	1,292,912
Deferred mortgage fee income	442,757	442,757
Deferred income taxes (note 8)	4,639	4,639
	<u>1,844,352</u>	<u>1,844,352</u>

SHAREHOLDERS' EQUITY

Capital stock (note 9)		
Authorized		
2,000,000 shares with a par value of \$5 each		
Issued		
Balance sheet - 951,490 shares	4,757,450	—
Pro forma balance sheet - 1,276,490 shares	—	6,382,450
Contributed surplus	574,604	1,374,104
Retained earnings	261,714	221,714
	<u>5,593,768</u>	<u>7,978,268</u>
Total liabilities and shareholders' equity	<u>\$45,612,945</u>	<u>\$47,997,445</u>

UNITED TRUST COMPANY
STATEMENT OF INCOME (note 1(b))

	Six months ended June 30,		Year ended December 31,				
	<u>1972</u>	<u>1971</u>	<u>1971</u>	<u>1970</u>	<u>1969</u>	<u>1968</u>	<u>1967</u>
	(unaudited)						
Income:							
Fees and commissions	\$4,091,063	\$2,938,731	\$7,232,022	\$1,575,838	\$ 442,246	\$ 503,484	\$461,895
Management fees (note 10)	—	—	—	66,667	100,000	—	—
Income from mortgages and other loans . .	1,168,696	601,836	1,391,208	925,006	747,067	523,405	296,541
Interest and dividends from investments . .	338,645	254,780	520,229	337,481	228,767	183,024	112,240
Other operating income	249,396	112,081	404,749	86,923	43,937	49,127	23,758
	<u>5,847,800</u>	<u>3,907,428</u>	<u>9,548,208</u>	<u>2,991,915</u>	<u>1,562,017</u>	<u>1,259,040</u>	<u>894,434</u>
Expenses:							
Salaries, commissions and staff benefits . .	3,239,720	2,385,218	5,738,052	1,552,155	524,746	510,531	453,673
Interest on deposits and certificates	774,945	505,511	1,114,248	802,589	552,558	416,023	237,794
Premises, including depreciation (note 5) . .	548,640	402,267	910,047	307,697	159,552	118,090	106,599
Other operating expenses	742,345	573,136	1,224,448	471,188	250,565	249,030	147,135
	<u>5,305,650</u>	<u>3,866,132</u>	<u>8,986,795</u>	<u>3,133,629</u>	<u>1,487,421</u>	<u>1,293,674</u>	<u>945,201</u>
Operating income (loss) before branch development costs	542,150	41,296	561,413	(141,714)	74,596	(34,634)	(50,767)
Branch developments costs	108,830	49,295	116,997	184,021	—	—	—
Income (loss) before income taxes and extraordinary items	433,320	(7,999)	444,416	(325,735)	74,596	(34,634)	(50,767)
Income taxes deferred (note 8)	216,660	(4,000)	224,260	(160,765)	29,387	(17,355)	(25,384)
Income (loss) before extraordinary items . .	216,660	(3,999)	220,156	(164,970)	45,209	(17,279)	(25,383)
Extraordinary items:							
Costs relating to change of corporate name (net of income taxes)	—	—	—	(62,130)	—	—	—
Costs arising on issuance of additional capital stock	—	—	—	—	—	(18,632)	—
Gain on sale of property	76,543	—	—	—	—	—	200,000
	<u>76,543</u>	<u>—</u>	<u>—</u>	<u>(62,130)</u>	<u>—</u>	<u>(18,632)</u>	<u>200,000</u>
Net income (loss) for the period	<u>\$ 293,203</u>	<u>(\$ 3,999)</u>	<u>\$ 220,156</u>	<u>(\$ 227,100)</u>	<u>\$ 45,209</u>	<u>(\$ 35,911)</u>	<u>\$174,617</u>
Earnings (loss) per share (note 12)							
before extraordinary items . . . . .	.23	—	.26	(.36)	.16	(.12)	(.18)
after extraordinary items . . . . .	.31	—	.26	(.50)	.16	(.24)	1.27

The accompanying notes are an integral part of the financial statements.

UNITED TRUST COMPANY
STATEMENT OF CONTRIBUTED SURPLUS AND RETAINED EARNINGS

	Six months ended June 30,		Year ended December 31,				
	<u>1972</u>	<u>1971</u>	<u>1971</u>	<u>1970</u>	<u>1969</u>	<u>1968</u>	<u>1967</u>
	(unaudited)						
Contributed Surplus							
Balance at beginning of the period	\$419,604	\$407,616	\$407,616	\$137,690	\$137,690	\$137,040	\$137,040
Premium on issue of shares	<u>155,000</u>	<u>9,266</u>	<u>11,988</u>	<u>269,926</u>	<u>-</u>	<u>650</u>	<u>-</u>
Balance at end of the period	<u>\$574,604</u>	<u>\$416,882</u>	<u>\$419,604</u>	<u>\$407,616</u>	<u>\$137,690</u>	<u>\$137,690</u>	<u>\$137,040</u>
Retained Earnings							
Balance (deficit) at beginning of the period . (\$ 31,489)	(\$251,645)	(\$251,645)	(\$ 24,545)	(\$ 69,754)	(\$ 33,843)	(\$208,460)	
Net income (loss) for the period	293,203	(3,999)	220,156	(227,100)	45,209	(35,911)	174,617
Balance (deficit) at end of the period	<u>\$261,714</u>	<u>(\$255,644)</u>	<u>(\$ 31,489)</u>	<u>(\$251,645)</u>	<u>(\$ 24,545)</u>	<u>(\$ 69,754)</u>	<u>(\$ 33,843)</u>

The accompanying notes are an integral part of the financial statements.

UNITED TRUST COMPANY
NOTES TO FINANCIAL STATEMENTS

1. Financial Statement Presentation

(a) Pro Forma Balance Sheet

The pro forma balance sheet as at June 30, 1972 gives effect to the following transactions as at that date:

- (i) The issue and sale, pursuant to an underwriting agreement dated September 7, 1972, of 325,000 shares for \$2,424,500 cash.
- (ii) The payment and charge to retained earnings of the expenses of this issue, estimated at \$40,000.

(b) Statement of Income

- (i) As of August 31, 1970, the Company purchased the real estate brokerage business of Mann & Martel. The statement of income reflects the operating results of this business since the date of its acquisition.
- (ii) Commencing with the fiscal year ended December 31, 1968, the Company changed its method of accounting for real estate commission income from an accrual basis to a cash basis (i.e. taking into income only those transactions which have been completed). The results for the year ended December 31, 1967 have been restated to reflect this change in accounting practice.
- (iii) Prior to 1970, the Company recorded income taxes on a tax payable basis. Beginning with the year ended December 31, 1970 the Company adopted the deferred income tax concept of relating income taxes to accounting income or losses, and the results of prior years have been restated to reflect this change in accounting practice.

2. Securities

All bonds are stated at amortized cost, while stocks are stated at cost.

	Cost	Market
Bonds		
Canadian and Provincial	\$ 5,412,772	\$ 5,213,000
Municipal	57,184	54,000
Other	2,401,549	2,418,000
Stocks	<u>111,277</u>	<u>111,000</u>
	<u>\$ 7,982,782</u>	<u>\$ 7,796,000</u>

3. Mortgage Loans

Mortgage loans receivable at cost, less repayments thereon	\$30,864,004
Accrued interest to June 30, 1972	<u>241,043</u>
	31,105,047
Less: Mortgages payable, assumed on properties for which the Company holds participating and blanket first mortgages	\$1,711,723
Tax escrow payments (net)	<u>59,349</u>
	<u>1,771,072</u>
	<u>\$29,333,975</u>

4. **Rental Property**

Rental property, at cost	\$209,246
Less: accumulated depreciation	<u>18,932</u>
	190,314
Deduct: 9-3/4% first mortgage maturing October 1990	<u>159,764</u>
Net investment	<u>\$ 30,550</u>

5. **Office Premises**

Office premises, leasehold improvements and equipment are stated at cost, less accumulated depreciation. Premises expense includes depreciation as follows:

Six months ended June 30,		Year ended December 31,				
1972	1971	1971	1970	1969	1968	1967
(unaudited)						
\$139,514	\$121,500	\$247,278	\$92,882	\$41,086	\$17,191	\$15,842

The accumulated depreciation as at June 30, 1972 was \$557,063.

6. **Goodwill**

The excess of the purchase price paid for the real estate brokerage business of Mann & Martel over the value of net tangible assets acquired is shown as goodwill on the Company's balance sheet.

7. **Mortgages Payable**

Mortgages mature in various years from 1973 to 1983 and bear interest at rates varying from 6% to 10-1/2%.

8. **Income Taxes**

The Company has adopted the tax allocation principle of providing for income taxes. Timing differences between reported and taxable income result in deferred or prepaid income taxes.

Deferred income taxes result from claiming maximum special mortgage reserve for tax calculation purposes. Prepaid income taxes reflect the future tax benefits arising from the carry-forward of prior years' losses. These are reported on the Balance Sheet as follows:

Deferred income taxes	\$109,320
Prepaid income taxes	<u>104,681</u>
	<u>\$ 4,639</u>

9. **Capital Stock**

By an Order-in-Council dated May 17, 1972, the issued and unissued shares of the Company were subdivided on a 2 for 1 basis so that the authorized capital now consists of 2,000,000 shares with a par value of \$5.00 each.

On February 17, 1972, the Company concluded a private placement of 110,000 shares (subdivided) for a net consideration of \$705,000. Of this amount \$550,000 representing the par value was credited to capital stock. The proceeds in excess of par value of capital stock issued, \$155,000, were credited to contributed surplus.

10. **Management Fees**

On December 12, 1968, the Company entered into an agreement with Mann & Martel under which the Company agreed to manage the real estate brokerage business of Mann & Martel. The contract extended over a five year period for an aggregate fee of \$700,000 payable at the rate of not less than \$100,000 per year. The agreement was terminated on August 31, 1970 when the Company, after receiving \$166,667 in management fees, acquired the real estate brokerage business of Mann & Martel.

11. **Long Term Leases**

The Company has entered into leasing agreements for the rental of certain office premises. The aggregate minimum rentals payable, exclusive of taxes, insurance and other occupancy charges, for the five year period ending June 30, 1977 are \$2,282,000. Rents payable during 1972 aggregate approximately \$473,000.

12. **Earnings per Share**

Earnings per share are based on the weighted average number of shares outstanding during each period.

AUDITORS' REPORT

To the Directors of
United Trust Company:

We have examined the balance sheet and pro forma balance sheet of United Trust Company as at June 30, 1972 and statements of income and contributed surplus and retained earnings for the five years and six months then ended. Our examination included a general review of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion:

- (a) the accompanying balance sheet presents fairly the financial position of the Company as at June 30, 1972;
- (b) the accompanying pro forma balance sheet presents fairly the financial position of the Company as at June 30, 1972 after giving effect to the transactions as described in Note 1 (a);
- (c) the accompanying statements of income and contributed surplus and retained earnings present fairly the results of its operations for the five years and six months ended June 30, 1972, after giving retroactive effect to the restatements, with which we concur, as described in Note 1 (b);

all in accordance with generally accepted accounting principles, applied on a consistent basis.

Toronto, Canada,
September 7, 1972

(Sgd.) Soberman, Isenbaum, Colomby & Nisker
Chartered Accountants.

MANN & MARTEL
(A LIMITED PARTNERSHIP)
STATEMENT OF INCOME (note)

	Year ended October 31,			
	1970	1969	1968	1967
Income:				
Commissions	\$5,318,293	\$7,036,188	\$6,118,172	\$5,174,566
Interest	218,998	208,839	135,345	87,507
	<u>5,537,291</u>	<u>7,245,027</u>	<u>6,253,517</u>	<u>5,262,073</u>
Expenses:				
Salaries, commissions and staff benefits	4,179,628	4,980,194	4,355,106	3,698,285
Premises expenses	282,703	240,045	216,465	176,633
Depreciation	63,493	58,646	56,460	34,796
Other operating expenses	908,757	965,062	649,489	544,376
	<u>5,434,581</u>	<u>6,243,947</u>	<u>5,277,520</u>	<u>4,454,090</u>
Income for year as originally reported	<u>102,710</u>	<u>1,001,080</u>	<u>975,997</u>	<u>807,983</u>
Adjustments (increase) decrease (note):				
Interest income	178,140	142,247	77,907	51,389
Management and administration fees	(439,167)	(87,500)	—	—
Income taxes	181,868	473,166	449,045	378,297
	<u>(79,159)</u>	<u>527,913</u>	<u>526,952</u>	<u>429,686</u>
Adjusted net income for the year	<u>\$ 181,869</u>	<u>\$ 473,167</u>	<u>\$ 449,045</u>	<u>\$ 378,297</u>

MANN & MARTEL
(A LIMITED PARTNERSHIP)

NOTE TO STATEMENT OF INCOME

Mann & Martel is a limited partnership and its income was until August 31, 1970 derived primarily from the operations of a real estate brokerage business. Effective August 31, 1970, the real estate brokerage business of Mann & Martel was sold to United Trust Company. The statement of income has been re-stated from that originally reported in order to reflect the results of the operations of the real estate brokerage division only, for the four years ended October 31, 1970, and the following adjustments have been made:

- (i) The elimination of that portion of interest income applicable to those assets which were not included in the sale of the real estate brokerage business to United Trust Company.
- (ii) The elimination of special non-recurring management and administrative fees paid to senior officers and associated companies.
- (iii) The adjustment to income as originally reported to reflect income taxes ordinarily payable if Mann & Martel had been a taxable Canadian corporation and if the adjustments contemplated above had been in effect throughout the entire period.

AUDITORS' REPORT

To the Directors of
United Trust Company:

We have examined the accompanying statement of income of Mann & Martel for the four years ended October 31, 1970. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, this statement presents fairly the income of Mann & Martel for the four years ended October 31, 1970 on the basis described in the note in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Canada,
August 3, 1972.

(Sgd.) Soberman, Isenbaum, Colomby & Nisker
Chartered Accountants.

CERTIFICATES

The foregoing, together with the Schedule hereto, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), by Part 7 of The Securities Act (Alberta), by Part VIII of The Securities Act, 1967 (Saskatchewan), by Part VII of The Securities Act (Manitoba), by Part VII of The Securities Act (Ontario), under the Securities Act (Quebec), by Section 13 of the Securities Act (New Brunswick) and by the respective regulations thereunder.

Dated: September 7, 1972.

Chief Executive Officer

(Sgd.) G.S. Mann
President.

Chief Financial Officer

(Sgd.) James A. Meldrum
Treasurer.

On behalf of the Board of Directors

(Sgd.) E.A. Goodman
Director.

(Sgd.) B. Eric Minns
Director.

Promoter

(Sgd.) G.S. Mann

To the best of our knowledge, information and belief, the foregoing, together with the Schedule hereto, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), by Part 7 of The Securities Act (Alberta), by Part VIII of The Securities Act, 1967 (Saskatchewan), by Part VII of The Securities Act (Manitoba), by Part VII of The Securities Act (Ontario), under the Securities Act (Quebec), by Section 13 of the Securities Act (New Brunswick) and by the respective regulations thereunder.

Dated: September 7, 1972.

Pitfield, Mackay, Ross & Company Limited

(Sgd.) R.L. Hunter
Director.

The following includes the name of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Pitfield, Mackay, Ross & Company Limited: W.C. Pitfield, D.L. Torrey, R.L. Hunter, A.F. MacAllaster, W.Y. Soper, D.C. Mackay and K.A. Wright.

SCHEDULE

Definitions

The following is an excerpt from The Loan and Trust Corporations Act, Revised Statutes of Ontario 1970, Chapter 254:

Section 54. (1) In this section and sections 55 to 59,

- (a) “company” includes an association, partnership or other organization;
- (b) “non-resident” means,
 - (i) an individual who is not ordinarily resident in Canada,
 - (ii) a company incorporated, formed or otherwise organized elsewhere than in Canada,
 - (iii) a company that is controlled directly or indirectly by non-residents as defined in subclause i or ii,
 - (iv) a trust established by a non-resident as defined in subclause i, ii or iii, or a trust in which non-residents as so defined have more than 50 per cent of the beneficial interest, or
 - (v) a company that is controlled directly or indirectly by a trust mentioned in subclause iv;
- (c) “resident” means an individual, company or trust that is not a non-resident.

(2) For the purposes of sections 55 to 59, a shareholder shall be deemed to be associated with another shareholder if,

- (a) one shareholder is a company of which the other shareholder is an officer or director;
- (b) one shareholder is a partnership of which the other shareholder is a partner;
- (c) one shareholder is a company that is controlled directly or indirectly by the other shareholder;
- (d) both shareholders are companies and one shareholder is controlled directly or indirectly by the same individual or company that controls directly or indirectly the other shareholder;
- (e) both shareholders are members of a voting trust where the trust relates to shares of a corporation; or
- (f) both shareholders are associated within the meaning of clauses a to e with the same shareholder.

(3) For the purposes of sections 55 to 59, where a share of the capital stock of a corporation is held jointly and one or more of the joint holders thereof is a non-resident, the share shall be deemed to be held by a non-resident.

UNITED TRUST COMPANY



325,000 Shares
with a par value of \$5 each

PROSPECTUS
Dated September 7, 1972

12. LISTING

No securities of the Company are presently listed on any other stock exchange. Application, however, has been made to the Montreal Stock Exchange to list 1,276,490 shares of the Company.

13. STATUS UNDER SECURITIES ACT

The offering of 325,000 shares with a par value of \$5.00 each was qualified for sale through registered securities dealers in the Provinces of Nova Scotia, New Brunswick, Québec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia in September, 1972.

14. FISCAL YEAR

The fiscal year of the Company ends on the 31st day of December in each year.

15. ANNUAL MEETINGS

The by-laws of the Company provide that the annual meeting of the Company shall be held on such day in each year as the board of directors may determine from time to time. The last annual meeting of the Company was held on April 19, 1972.

16. HEAD AND OTHER OFFICES

The Company's head and principal office is located at 21 St. Clair Avenue East, Toronto, Ontario. The Company has additional offices which offer various services of the Company.

17. REGISTRAR AND TRANSFER AGENT

The Company at its principal office in the City of Toronto acts as its own registrar and transfer agent, and The Canada Trust Company at its principal offices in the Cities of Halifax, Montreal, Winnipeg, Regina, Calgary and Vancouver acts as the branch registrar and branch transfer agent.

18. TRANSFER FEE

No fee is charged on stock transfers other than the customary government stock transfer tax.

19. AUDITORS

The auditors of the Company are Soberman, Isenbaum, Colomby & Nisker, Chartered Accountants, 45 St. Clair Avenue West, Toronto, Ontario.

20. DIRECTORS AND OFFICERS

The names in full and the home addresses of the directors and officers of the Company together with their principal occupations within the five preceding years are as set out under the subheading "Directors and Officers" on page 9 of the Prospectus.

21. CERTIFICATE

Pursuant to the resolution duly passed by its board of directors, United Trust Company hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and the documents submitted in support thereof are true and correct.

UNITED TRUST COMPANY



Per: "B. E. MINNS",
Vice-President

Per: "J. A. MELDRUM",
Treasurer

22. CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief, all the statements and representations made in this application and the documents submitted in support thereof are true and correct.

PITFIELD, MACKAY, ROSS & COMPANY LIMITED

Per: "R. L. HUNTER"

DISTRIBUTION OF SHARES WITH A PAR VALUE OF \$5.00 EACH AS OF OCTOBER 11, 1972

<u>Number</u>									<u>Shares</u>
213	.....	Holders of	1	—	24	share	lots	.....	2,860
88	.....	" "	25	—	99	" "	.....		4,146
164	.....	" "	100	—	199	" "	.....		16,874
123	.....	" "	200	—	299	" "	.....		25,334
44	.....	" "	300	—	399	" "	.....		13,466
21	.....	" "	400	—	499	" "	.....		8,754
56	.....	" "	500	—	999	" "	.....		33,689
69	.....	" "	1000	—	up	" "	.....		1,171,367
778	.....	Shareholders					Total shares		1,276,490